

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 702 – SB 830

April 14, 2013

**SUMMARY OF ORIGINAL BILL:** Extends, from 10 to 20, the number of days that a sponsor of a public charter school may appeal to the State Board of Education (SBE), a local board of education's denial of a public charter school application.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (006443):** Deletes all language after the enacting clause. Requires the Achievement School District (ASD) to be the appellate body for reviewing initial public charter school applications or renewals or revocations after such applications have been denied by the local education agency (LEA) that contains at least one priority school. The ASD shall serve as the chartering authority for public charter schools it authorizes. Requires the ASD to file a report on the state of public charter schools with the Education Committees of the General Assembly by February 1 each year; however the first report shall be submitted on February 1, 2017. Requires the ASD to continue to be the chartering authority for public charter schools it has authorized even if the LEA no longer contains priority schools; except in cases where the LEA has renewed such schools. Requires LEAs, in regards to charter schools overseen by the ASD, to pay the ASD 100 percent of state, local, and federal funding due the public charter school. Authorizes ASD-authorized charter schools to contract for services with the LEA. Authorizes charter schools to enroll out-of-district students. Requires the State Board of Education to hear appeals of public charter school applications that have been denied by LEAs not having priority schools. Sets the process by which a sponsor of a public charter school may appeal to the ASD. Decisions made by the ASD shall be final and not subject to appeal. Requires the ASD to consider the fiscal impact of the charter school on the LEA before the ASD approves any charter application. Prohibits ASD approval in cases where the charter school will have a negative fiscal impact on the LEA. Sets forth renewal procedures for public charter schools approved by the ASD. The new appeals process will be effective for public charter schools proposing to open in the FY15-16 academic year and thereafter.

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## **FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

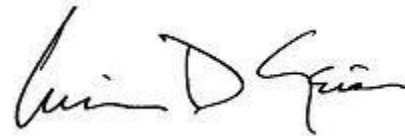
### **Increase State Expenditures - \$108,100/FY14-15 and Subsequent Years**

Assumptions for the bill as amended:

- According to the Department of Education (DOE), the ASD will hire one additional staff person to oversee functions that are outside of normal ASD operations. The DOE estimates the salary will be \$65,000; benefits \$19,500; equipment, supplies, and travel \$20,000; and office rental \$3,600.
- The total recurring increase in state expenditures is estimated to be \$108,100 (\$65,000 + \$19,500 + \$20,000 + \$3,600).
- This staff person will be hired in FY14-15 in order for appeals to be heard for the upcoming school year.
- Any increase in state expenditures to issue annual charter school reports beginning in FY16-17 is estimated to be not significant.
- Public charter school sponsors may currently appeal denials of initial applications or renewals to the State Board of Education. No increase in the number of authorized public charter schools that would have been denied under current law through the appeals process conducted by the ASD under the provisions of the bill as amended.
- Any decrease in state expenditures as a result of the SBE no longer reviewing the public charter school appeals or renewals from LEAs that contain at least one priority school is estimated to be not significant.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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